

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1716 - SB 1996

March 21, 2011

SUMMARY OF BILL: Adds private sector employees, who are members of the Armed Forces Reserve, to the groups who are entitled to a leave of absence from work without loss of time, pay, regular leave, vacation, impairment of rating, or any other right or benefit, when ordered to duty or training. Eliminates the maximum number of paid leave days for members of the Reserves. Requires that all public and private employees, who are members of the Tennessee State Guard or Civil Air Patrol, be entitled to a leave of absence from their employment duties without loss of time, regular leave or vacation, impairment of efficiency rating, or any other rights or benefits to which otherwise entitled, when engaged in the performance of duty or training in the service of Tennessee, under competent orders.

ESTIMATED FISCAL IMPACT:

On March 18, 2011, a fiscal note was issued estimating a fiscal impact as follows:

Increase State Expenditures - \$57,200/Recurring

Due to an oversight, the value of benefits for both employment categories, and the statutory 20-day maximum paid leave for Reservists codified in Tenn. Code Ann. § 8-33-109 were not subtracted from the base salary. Based upon further review, the estimated impact is:

(CORRECTED)

Increase State Expenditures - \$38,400

Assumptions:

- According to the Tennessee State Guard, there are currently 21 Guard members who are state employees.
- There are estimated to be four Civil Air Patrol members who are currently state employees.
- According to the Department of Human Resources (DOHR), 210 employees currently qualify for additional paid leave if called to active duty. Pursuant to Tenn. Code. Ann. § 8-33-109, members of the Armed Forces Reserves currently receive a maximum of 20 days (one month) paid leave for the performance of duty or training. Under this bill, the state will pay a member of the Armed Forces Reserves salary when on leave for the performance of duty or training.

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- According to the Department of Human Resources (DOHR), the average state salary is \$3,203 per month.
- DOHR estimates one Armed Forces Reserve member per year will be called to active duty for one year. The Department will fill the position with a temporary worker for that year, resulting in a recurring increase in state expenditures of \$35,233 [\$3,203 per month x (12 months – 1 month paid under current law)].
- It is estimated that one State Guard or Civil Air Patrol employee will be called to active duty for one month per year to assist with a natural disaster or other emergency. The employee will not be required to use any annual leave, which can be utilized by the employee at a later date, or paid out upon the employee's departure from State service. The employee's position will be filled by a temporary employee for that month resulting in a recurring increase in state expenditures of \$3,203.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "James W. White, Jr." with a stylized flourish at the end.

James W. White, Executive Director

/sbh